

**GOVERNMENT OF INDIA
COMMERCE AND INDUSTRY
LOK SABHA**

STARRED QUESTION NO:96
ANSWERED ON:04.03.2013
WITHDRAWAL FROM WTO NEGOTIATIONS
Patil Shri C. R.

Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

- (a) whether India has decided to opt out of the negotiations for agreement between the select World Trade Organisation (WTO) member countries for liberalising foreign direct investment and visa regimes in service sectors and for lowering of import duties on certain goods;
- (b) if so, the details thereof and the reasons therefor;
- (c) whether the Government has assessed the impact of this move on the domestic sector;
- (d) if so, the details thereof and the extent to which India`s interests are likely to be affected by the aforesaid decision to withdraw from the talks; and
- (e) the future strategy chalked out by the Government in this regard?

Answer

MINISTER OF COMMERCE AND INDUSTRY (SHRI ANAND SHARMA)

a) to e): A Statement is laid on the Table of the House.

STATEMENT REFERRED TO IN REPLY TO PARTS (a) TO (e) OF LOK SABHA STARRED QUESTION NO. 96 FOR ANSWER ON 4TH MARCH, 2013 REGARDING "WITHDRAWAL FROM WTO NEGOTIATIONS "

(a) to (e) No, Madam. The Doha Round of multilateral trade negotiations in the World Trade Organisation is underway and India is an active participant in the negotiations. The USA, Australia, the European Union, Canada, Costa Rica, Japan, South Korea, New Zealand, Hong Kong, Taiwan, Chile, Colombia, Switzerland, Pakistan, Peru, Norway, Panama, Mexico, Israel, Turkey and Iceland have been exploring a plurilateral approach to a Services Agreement also known as ISA (International Services Agreement). This group has held several rounds of discussion to finalise the architecture and modality of the proposed agreement. India is not a party to these discussions. These discussions are not a part of the WTO Doha Round process.

Some of the developed country signatories of the Information Technology Agreement (ITA) such as the USA, European Union and Japan, have proposed a broadening of the scope and product coverage of the ITA (it is being referred as 'ITA-2'), on which customs duty would be bound at zero.

The proponents of ITA expansion have also prepared a consolidated list containing IT products, on which tariff reduction is being sought. These discussions are at a preliminary stage in the WTO. India's experience with the ITA-1 has not been encouraging as it almost wiped out the IT industry from India. After examining the matter in consultation with the nodal ministry i.e. the Department of Electronics and Information Technology and other stakeholders, it has been decided, for the present, not to join the negotiations as it will not be in the national interest.